

Interagency Committee For Outdoor Recreation

Pilot Mitigation Banking Program FAQs

What is a mitigation bank?

Mitigation banks provide compensation for adverse impacts to natural resources in advance of the impact. In wetland mitigation banking, the goal is to replace the function and values of the wetland that will be adversely affected by a proposed development project. This is typically done by creating new wetlands or restoring or enhancing degraded wetlands. In conservation banking the goal is to offset adverse impacts to one or more species, which is typically done by providing functional habitat elsewhere for those species. For more details, see:

<http://www.epa.gov/owow/wetlands/guidance/mitbankn.html>

<http://www.fws.gov/endangered/policies/conservation-banking.pdf>

What is the Washington Wildlife and Recreation Program?

The WWRP provides grants for the acquisition and development of local and state parks, water access sites, trails, critical wildlife habitat, natural areas, urban wildlife habitat, riparian habitat, and preservation of farmland. In 2005, the Legislature gave IAC the authority to fund mitigation banking projects in the *critical habitat*, *urban wildlife habitat* and *riparian protection* funding categories. For more information on the WWRP, see: <http://www.iac.wa.gov/iac/grants/wwrp.htm>.

What is the purpose of the pilot mitigation banking grant program?

The IAC intends to explore the new mitigation banking authority in a way that both satisfies the intent and requirements of the WWRP *and* stimulates creative approaches to establishing mitigation banks that are capable of compensating for negative impacts to a variety of habitats and species. In addition to acquiring and restoring important habitat land, IAC hopes to see proposals that involve different frameworks and approaches, incorporate different types of partnerships, strategically site banking projects, provide incentives for public and private participants, and help further the development of state conservation banking policy.

Who is eligible to receive a grant?

State agencies (State Parks, and the Departments of Fish and Wildlife, Natural Resources, and General Administration), Native American tribes, counties, cities and towns, and other special purpose districts such as port, irrigation, water, public utility, and conservation districts if they are legally authorized to acquire and develop land. Lead entities authorized under RCW 77.85.050 are eligible in the *riparian protection* category. Non-profit organizations such as land trusts and private entities are not eligible to receive grants or hold title to acquired property, but are encouraged to partner with eligible entities.

Is there a planning eligibility requirement?

Yes. Applicants must meet the planning eligibility requirements for WWRP. For mitigation banking projects, planning eligibility requirements may be met by an officially adopted watershed plan, salmon recovery plan, subbasin plan, or other appropriate plan if accepted by IAC.

How much money is available?

The amount of money available for WWRP will not be known until appropriated by the 2007 Legislature. In 2005 the \$50 million appropriation to WWRP resulted in about \$11 million available for projects in the *critical habitat* category and \$6 million in the *urban wildlife habitat* category. A chart that shows how funds are distributed to each category is included in IAC Manual #10b.

How many grants will be awarded?

The IAC hopes to fund one or two grants in each of the three eligible WWRP categories. The number and/or category of projects funded will depend on the number of applications submitted, size of the requests, how well the projects address the criteria included in the RFGP, and on the total appropriation to the WWRP in the budget passed by the 2007 Legislature. IAC's Board will make the final funding decision.

Is there a maximum or minimum amount for a grant?

Yes and No. There is a \$25,000 minimum and \$1.0 million maximum grant request limit for the *riparian protection* category. There are no limits for the *critical habitat* or *urban wildlife habitat* categories.

Is there a match requirement and what can we use as a match?

Yes. Local agencies, Native American tribes, and lead entities must provide at least 50% of the total project costs. Eligible match may include: appropriations/cash; bonds; donations of land, labor, equipment, or materials; force account labor, equipment, or materials; LIDs; and eligible grants from federal, state, local governments or private entities. Applicants should review the WWRP policy manual for additional information on IAC's match policy. There is no match requirement for state agencies.

Can the cost of developing the bank or an endowment be funded by the grant or be part of the sponsor's match?

No. While the statutory changes to WWRP encourages development of mitigation banks, the costs of setting up the bank must be borne by the project applicant/sponsor.

May already purchased contiguous land that will be part of the bank be used as match?

No, unless the property was acquired under an approved IAC waiver of retroactivity.

Is land acquisition necessary in order to receive a grant?

Yes and no. Land acquisition is required for mitigation banking projects submitted in the *riparian protection* category. Acquisition is not required for projects submitted in the *critical habitat* or *urban wildlife habitat* categories. Since the beginning of the program in 1990, however, there has been only one “development only” project submitted and approved for funding. All other projects have involved acquisition of property interests. A few projects have included acquisition of land and development of public access facilities.

Is the purchase of a conservation easement eligible?

Yes. However, the applicant must purchase a perpetual easement. Term easements will not be eligible for mitigation banking projects.

Is there a minimum parcel size?

No. However, the evaluation criteria for each category include questions about long-term management and viability or site suitability. Assessment of applicants’ responses to this question includes the size of the property/acres protected and whether the size supports the overall project goals/objectives.

Is public access required?

No. However, mitigation banking projects that provide for public access in ways that do not negatively affect the conservation values of the property may get extra consideration in the evaluation process.

How do we apply?

Grant applications for mitigation banking projects must be submitted to the *urban wildlife habitat*, *critical habitat*, or the new *riparian protection* category of the Washington Wildlife and Recreation grant program. The actual or potential attributes of the site to be acquired must satisfy the eligibility criteria for the category under which it is being submitted. In addition, applicants must provide any additional information requested in the *Request for Grant Proposals*.

How will these projects be evaluated?

Mitigation banking proposals will be evaluated using IAC’s in-person presentation process and the evaluation criteria for the category under which the proposal is submitted. In addition, the projects will also be evaluated using additional criteria specific to mitigation banking projects. These additional criteria are listed on pages 6 and 7 of the *Request for Grant Proposals*, which can be found at: http://www.iac.wa.gov/iac/grants/wwrp_mitigation.htm. Applicants are asked to provide written responses to these additional criteria for consideration in the evaluation process.

Must the regulating agencies, such as the Corps of Engineers, have already approved the proposed bank and credits?

No. However, if they have not, the proposal should demonstrate a high likelihood that they will. For example, what is the applicant's track record of working with the permitting agencies and successfully meeting permit requirements?

How will IAC manage the mitigation project grants?

An IAC grant manager will be assigned to manage each grant. In addition, there will be an interagency steering committee that will address policy issues as they arise and help ensure interagency coordination.

What happens to revenues generated from the sale of credits?

If credits are sold on land or restoration funded by an IAC grant, the sponsor must return the funds to IAC or, with IAC approval, reinvest them in additional banking parcels or in perpetual preservation of another parcel. If credits are sold on land or restoration not funded by an IAC grant or used as a match to an IAC grant, the sponsor is free to use the funds as desired. However, proposals to reinvest a sponsor's profits in enhancements that would benefit the public, such as public access to the site (when appropriate), may receive extra consideration when grant proposals are evaluated.

If land is acquired with the help of an IAC grant and later restored by the sponsor, a private banker, or a developer (such as in programmatic mitigation areas), does IAC have to approve the restoration plans?

The general restoration plan for the property should be part of the original grant application. As specific restoration plans are developed, the sponsor should inform the IAC. If there is significant change in scope from the original plan for the property, the sponsor may be required to get formal IAC approval.